

VZCZCXYZ0008
PP RUEHWEB

DE RUEHSG #0106/01 0351035
ZNY CCCCC ZZH
P 041035Z FEB 09
FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC PRIORITY 4392
INFO RUEHAC/AMEMBASSY ASUNCION PRIORITY 3752
RUEHBR/AMEMBASSY BRASILIA PRIORITY 0664
RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 1267
RUEHLP/AMEMBASSY LA PAZ FEB 6078
RUEHPE/AMEMBASSY LIMA PRIORITY 5940
RUEHMN/AMEMBASSY MONTEVIDEO PRIORITY 4207
RUEHQT/AMEMBASSY QUITO PRIORITY 2130
RUEAIIA/CIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SANTIAGO 000106

SIPDIS

E.O. 12958: DECL: 02/02/2019
TAGS: [PGOV](#) [ECON](#) [SOCI](#) [CI](#)
SUBJECT: CHILEANS, HUNGRY FOR CHANGE, EYE PRESIDENTIAL
ELECTION

REF: A. SANTIAGO 70
[1](#)B. 08 SANTIAGO 1150

Classified By: Political Officer Jennifer Spande for reason 1.4 (b).

[1](#)1. (C) SUMMARY: Progressive Chilean leaders admit that their Concertacion coalition's nearly twenty year rule has left the Chilean public largely uninspired by the prospect of another Concertacion president and has led to stale party politics. Concertacion has been hurt by a series of relatively minor but well-publicized scandals that make the current government appear inept and some individual officials seem unethical. In addition, Chileans are disappointed that consistent economic growth and political stability have not led to more concrete changes in the economic well-being of individual families. The silver lining for Concertacion is that voters aren't particularly excited about opposition candidate Sebastian Pinera either. Voters this year may find themselves choosing among the best of two somewhat lackluster options. End Summary.

[1](#)2. (SBU) Ambassador, Poloff, and E/Pol staff met with a selection of leaders from multiple parties in Chile's Concertacion coalition from January 7 to 15. Interlocutors included Enrique Correa, Socialist Party (PS) activist and confidante of OAS Secretary General and former presidential candidate Jose Miguel Insulza; Mladen Yopo, academic and Subsecretary of the Party for Democracy's (PPD) International Relations Committee; Deputy Jorge Burgos, Vice President of the Christian Democrats (DC); and Alberto Underraga, newly-elected mayor of the commune of Maipu and one of the "young princes" within the DC. Ref A reported interlocutor's views of the two major presidential candidates and assessment of Concertacion's chances in the upcoming election.

Concertacion Fatigue

[1](#)3. (C) Progressive leaders readily admit that "Concertacion fatigue" is present in Chile--both in terms of the public's impatience with the government's shortcomings, and also in terms of a lack of energy and new blood within the Concertacion parties. Just as Concertacion candidate Eduardo Frei and formerly rumored presidential hopeful Ricardo Lagos are both "recycled candidates"--each having served a term as president already--so too many of Chile's government officials and political leaders are long-time politicians seen as playing a game of musical chairs as they move from one position to another during Concertacion's long rule.

14. (C) While there are some new faces, long-time leaders sometimes reject opportunities for change. For example, DC strategist Burgos believes that Frei committed a mistake in preserving peace with the old guard of the Christian Democrats--supporters of Soledad Alvear--rather than embracing the "young princes" of the party. (Note: Undurraga, Burgos, and Penalolen Mayor Claudio Orrego recently proposed changes to the DC party structure to open party leadership positions to sitting mayors, who are currently barred from holding party office. Former DC president Soledad Alvear blocked this move, which would have opened the way for Undurraga and Orrego--who represent the new generation of DC leaders--to run for party leadership positions. End Note.)

15. (SBU) In addition to the listlessness of nearly twenty years of government by a revolving cast of Concertacion leaders, a series of relatively minor corruption scandals and intra-coalition squabbling have left voters wondering if the coalition has lost its ability to govern effectively. Chilean courts are investigating allegations that a former Commander-in-Chief of the Air Force received USD 15 million in kickbacks in the purchase of 25 Mirage aircraft from Belgium in 1994. The Transantiago public transport mess continues to garner press coverage on details as seemingly mundane as the size of its operating deficit.

16. (SBU) News broke earlier this month that the director of the civil registry was being investigated for a series of dubious expenses, including USD 30,000 for commissioned reports which were copied directly from the internet; USD 8,000 in meals; and USD 1,000 in gifts. Other recent scandals have included allegations that court workers

accepted bribes to change blood alcohol test results to clear individuals of DUI charges and the Health Ministry's failure to notify some HIV individuals of their HIV test results. While seemingly isolated, these issues--and disagreements among Concertacion parties and individuals--receive prominent press coverage and help create a sense that the Concertacion simply is not effective any longer.

Hungry for Change

17. (C) Yopo of the PPD believes that Chilean civil society has grown in breadth and depth in recent years. Community activists are more numerous and outspoken, with leaders in the Penalolen area of Santiago fighting against a proposed gas plant while their neighbors in La Reina have rallied to campaign against a proposed highway. At the same time, political consciousness in Chile has evolved beyond simple issues of self-interest towards more ideological issues like environmental protection. Meanwhile, political activists on both sides of the political spectrum have recently been pressing for political renewal in other fora (Ref B).

18. (C) As the furor over the Transantiago flop demonstrates, Chileans expect a lot from their government and seem ready to give the opposition a chance to deliver where the Concertacion has not. Pinera seems poised to capitalize on this feeling, marketing himself as the candidate of change. In fact, a political cartoon published recently in a leading Chilean newspaper showed an aide delivering a stack of Obama speeches to Pinera, while a sign outside his door read "I am the change". On the other hand, returning power to the right is full of symbolic importance. As Burgos describes it, Chileans are faced with a choice between two impossibilities: allowing the same coalition to remain in power for more than twenty years, or handing a victory to the right for the first time since the 1950s.

It's the Economy, Stupid

19. (C) Chile's economy is likely to be a key theme in this year's presidential elections, with Chileans both disappointed that recent growth has not yielded more tangible

results in their lives and concerned about the effects of the global financial crisis. PPD leader Yopo described an "expectant reality" in Chile. Chileans are disappointed that two decades of democracy, solid economic growth, and political and economic stability have not translated into more concrete changes in their lives. Poverty rates have fallen, but many people remain economically vulnerable, and the lower and middle classes are alarmed by how quickly the rich are growing richer. There are currently 300-400 USD "millionaire families" in Chile, Yopo noted. The middle class specifically feels left behind by Chile's free market capitalism with a socialist-inspired safety net. Unable to access school subsidies and other government assistance for the most vulnerable, they are frustrated that tax burdens and other obstacles prevent them from joining in the growing opulence of Chile's wealthy elite.

¶10. (C) For his part, Correa warned that Chile's economic picture is likely to worsen in the near term. Unemployment is likely to rise to 13-15% in April when the agricultural season ends. (Comment: This is one of the highest estimates Post has heard. End Comment.) "It will look like a catastrophe," he warned.

¶11. (C) Correa and Yopo stated that crime, education, environment, citizen participation in politics, indigenous and gender rights, and Chile's role in the region are other themes likely to be prominent in this year's presidential campaign. Burgos expects Concertacion to engage Pinera in political debates on sensitive topics, such as human rights.

Comment

¶12. (SBU) Concertacion leaders have a realistic sense of the challenges they face in marketing a 66-year-old former president and sitting senator as their candidate in a change-hungry country. Although performing well relative to their Latin American neighbors, the Concertacion has not met

Chileans' high expectations of government efficiency and transparency. Nor has it delivered the transformative economic change that progressives seek. Burgos' description of the tough choice facing Chileans accurately captures the sense that, in this election, voters may be voting against a disliked candidate more than for someone who inspires them. Concertacion's silver lining is that a number of promising younger politicians--including the Christian Democrats' "young princes"--are ready to step into prominence once the old guard makes room for them.

SIMONS